97-84054-23

Asquith, Herbert Henry

Tariff reform - the latest phase

London

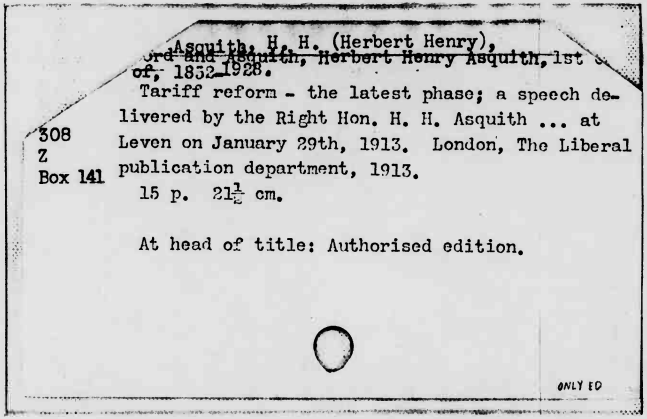
1913

97-84054-23
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD



308
Z
Box 141

Asquith, H. H. (Herbert Henry),
~~Oxford and Asquith, Herbert Henry Asquith, 1st E. of, 1852-1928.~~
Tariff reform - the latest phase; a speech delivered by the Right Hon. H. H. Asquith ... at Leven on January 29th, 1913. London, The Liberal publication department, 1913.
15 p. 21½ cm.

At head of title: Authorised edition.

ONLY ED

RESTRICTIONS ON USE: *Reproductions may not be made without permission from Columbia University Libraries.*

TECHNICAL MICROFORM DATA

FILM SIZE: 35 mm REDUCTION RATIO: 10:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 3-26-97 INITIALS: PB

TRACKING # : MSH 22875

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

AUTHORISED EDITION.

90606

TARIFF REFORM—THE LATEST PHASE.

308
Z
Box 141

A SPEECH

DELIVERED BY

THE RIGHT HON.

H. H. ASQUITH, M.P.

(*Prime Minister*)

AT

LEVEN

On JANUARY 29th, 1913.

PUBLISHED BY

THE LIBERAL PUBLICATION DEPARTMENT

(*In connection with the National Liberal Federation and the Liberal Central Association*),

42, PARLIAMENT STREET, LONDON, S.W.

—

1913.

PRICE ONE PENNY.

Copies of this Pamphlet can be obtained at the following rates:—

25	Copies	...	...	...	1s.	9d.,	Post Free	2s. 1d.
50	„	...	...	...	3s.	0d.,	„	3s. 6d.
100	„	...	...	...	4s.	6d.,	„	5s. 3d.
250	„	...	...	...	10s.	6d.,	*Carriage Extra.*	
500	„	..	...	...	18s.	6d.,		
1000	„	...	...	£1	15s.	0d.,		

Nov. 5. 1913 R.—

TARIFF REFORM—THE LATEST PHASE.

MR. ASQUITH, *speaking at Leven on January 29th*, 1913, *said:*—When I was at Ladybank in October I promised that, if my other duties permitted, I would pay a visit to my friends here in the month of January, and I am here to-night in fulfilment of the promise. No one is more indebted than I am both to the confidence and to the forbearance of his constituents. We are now well on in the twenty-seventh year of our connection as member and constituency—a connection which, from the first day up to this, has never been clouded for a moment by any kind of mutual distrust—and I know that you will understand that, if I do not visit you as frequently and speak to you as often as I was wont to do in the old days, it is not from any indisposition upon my part, but simply from the overwhelming pressure of other duties.

The Progress of the Government Programme.

As you, Mr. Chairman, have reminded us, the Home Rule Bill, after minute and searching examination of all its important provisions, has passed through the House of Commons and was read a third time by a majority of 110—a substantial advance upon the majority which it obtained upon the first and second readings. The average majority in the almost countless divisions that took place during the progress of the Bill was well over a hundred, and thus you may see that it has had from first to last—and most conspicuously of all in its final stage—the support of a majority of over forty of the representatives of Great Britain. By the end of next week we hope to see the Welsh Church Bill in the same happy position. And when that takes place the Government in the House of Commons will have discharged the main burden of their obligation in regard to two of the most urgent and long-delayed reforms in the programme of the Liberal party.

Mr. Bonar Law's Shorter Catechism.

We are approaching near to the end, and I am glad to say it, of one of the longest and hardest Sessions in Parliamentary annals. The new Session, if we are not to overstrain both the machinery and the men, must of necessity be much shorter in duration and less exacting in its demands. It is fitting, therefore, in addressing you as I do to-night, after a comparatively long interval, that I should

ask you, in the first instance, to take stock for a few moments of the situation in which we find ourselves. I see that the Leader of the Opposition in the House of Commons, on the occasion of his recent visit to Edinburgh, was good enough to prescribe for me topics upon which I was to address you. He even produced a Shorter Catechism of his own, and he suggested that it was my duty to answer his interrogatories. If Mr. Bonar Law had any new and relevant question to put to me, I should be only too delighted to answer him. But, as the inquiries actually put, full as they are of inaccurate and question-begging assumptions, have for the last twelve months supplied the main part of the fuel for his own superheated invective, and as I and my colleagues have answered them over and over again, both inside and outside the House of Commons, I do not feel disposed to waste your time, and that of the public, in purposeless repetition, and in travelling once more over familiar and well-worn ground.

Tory Abuse of the Government.

We know quite well, and Mr. Bonar Law, to do him justice, loses no chance of reminding us, that our political opponents take the gloomiest view of our character, our motives, our achievements, and our future. They are never tired of accusing us of chicanery, tyranny, pledge-breaking, and even treason. Only two nights ago in the House of Commons Mr. Bonar Law, in a speech, for him, of exceptional urbanity, interjected as though it were the merest truism the genial remark (I have got it here) that no one of the Ministers has a moment of time to think about anything except how they can continue in office for another year. According to their view, under this detested *régime*, from which a suffering people are yearning to be released, all laws, human and Divine, are for the time being in abeyance, the Empire is, or at any rate ought to be, falling to pieces, and things will go steadily from bad to worse, unless and until the nation is clear-sighted enough to transfer the charge of its destinies to the cool, firm hands of Mr. Bonar Law and his associates. Then, and not till then, will this black chapter in our history close, and the fabled reign of Saturn will return. I may observe in passing that whatever else we may be charged with, we have shown no indisposition to appeal to the country. Less than three years ago we did so twice in the course of twelve months, and under the Parliament Act which was passed last year we deliberately shortened the term of life of the House of Commons from seven years to five, with the object that the appeals in the future may become even more frequent. The English language is a rich and flexible instrument, but when I hear and read this kind of thing, when I see the terrible strain which is being put day and night on the superlative degree, and on our fine and copious vocabulary of vituperation, which has already been drained to the dregs, I tremble to think

what these gentlemen would find to say, what, indeed, there would be left for them to say, if we were discovered committing some more serious offence than that of prosecuting with strenuousness and with success a policy obnoxious to our political opponents.

The Record of the Government.

But let me for a moment—and just for a moment—put side by side the epithets—I have culled a few of the choicer ones—and the actual facts. We are now in the eighth year of our administration, and how do matters stand? By universal admission our trade, at home and over the seas, was never so prosperous nor the percentage of unemployment in this kingdom so small. We have placed on the Statute-book the two greatest social reforms, measured by the extent of the relief which they give against the vicissitudes of life, which Parliament has ever enacted—the Act for Old Age Pensions and the National Insurance Act. We have made provision, in the face of growing difficulties and exigencies, for maintaining unchallenged the command of the sea which is essential to our national and Imperial life. In carrying out these costly purposes we have not only not added a penny to the debt of the nation, but we have diminished its aggregate capital liabilities at a faster rate, and by a larger sum than have any of our predecessors. We have reduced the tea duty by a penny, and the sugar duty by more than one-half. We have met the gigantic expenses involved—and just remember, by way of illustration, that there are close upon a million old age pensioners alone receiving some twelve millions annually, though on the other side of the account it should not be forgotten that aged outdoor pauperism has been concurrently reduced by no less than 94 per cent. —I say we have met these gigantic expenses for all these purposes by taxation so arranged that it has not clogged the springs of industry or checked the accumulation of capital, while it has not contributed in any way to the increase, which has been going on from world-wide causes, in the cost of the necessaries of life. The relations between the Mother Country and the great Dominions have never been more intimate and affectionate. In the creation of a South African Union, following upon the grant of responsible government to the Transvaal, in defiance of the confident prediction of our opponents, we see the triumph of Liberal principles and Liberal policy, and throughout the Empire there is everywhere growing a resolve for closer co-operation in the great common task of Imperial defence. And, finally, never within the memory of living man has the voice and authority of Great Britain carried greater weight in the councils of Europe and the world. Do not suppose that I am claiming exclusive credit for the Government for all these good things. On the material side, I do not overlook or underrate the operation of natural and general causes, or, still less, the unimpaired energy and resourcefulness of the British people,

under the invaluable safeguard of a well-tried fiscal system, shown by experience to be adapted to their special faculties and needs. Nor, again, ought we to forget that it was our good fortune to succeed perhaps the weakest and the most discredited Administration of modern times, an Administration which, having appealed for and received a renewal of popular support in the midst of a great war, abused the national trust by passing through both Houses legislation never submitted to nor even dreamt of by the electorate—we did not hear anything in those days of a Referendum—and then plunged blindly into a fiscal adventure, from which, after ten years of stumbling and fumbling, the rank and file of the Tory Party are at this moment engaged in a vain endeavour to extricate their leaders. When all due allowances have been made on this and other scores I claim that our record, the record, according to Mr. Bonar Law, of men not one of whom has a moment of time to think about anything except how they can continue in office for another year, I claim that our record can well stand comparison with the record for the same length of time, and in the face of anything like similar problems and difficulties, of any Government in our annals.

The Record of the Opposition.

And who are they whom it is supposed that the people of Great Britain are impatiently panting to put in our place? They have been beaten at three successive General Elections, and, though they managed to make up a little leeway at the by-elections of the last twelve months, mainly by a not over-scrupulous exploitation of the unpopularity of the first stage of the Insurance Act—that particular expedient is ceasing to be serviceable—they have found it impossible, though they have tried their hardest, to arouse anything in the nature of popular indignation either against Home Rule, or Welsh Disestablishment, or our supposed outrages upon the Constitution. I say "supposed" advisedly, because they were outrages for which the country gave us express authority. They have just abandoned or indefinitely postponed, for the moment I care not which, the essence of the one constructive proposal which has been in the forefront of their party propaganda for the last ten years. Lastly, their leaders in both Houses were, as they told us only a fortnight ago, on the verge of a joint resignation. Do they really believe the country is longing for their advent to power?

The Government will Finish its Task.

For ourselves, I may say, and I say it in all sincerity, that while the burdens of office are heavy at all times, and especially when they have been borne so long as we have borne them, we hope and intend, barring accidents and the unforeseen—and every forecast of the future must be subject to those conditions—we

hope and intend to prosecute to a completion what still remains of our unfinished task. Meanwhile, I would venture in all humility to suggest to our opponents—to quote a celebrated phrase of Mr. Disraeli—that this melodramatic malignity has been a little overdone.

TARIFF REFORM—THE LATEST PHASE.

What the Tories have to Explain.

But a great party cannot live by hysterics alone, and they might perhaps be more profitably occupied in explaining to the people of this country what it really is that is going to happen to them and to their taxes, if and when they dismiss the present Government from power. That is the question to which I now propose for a few moments to address myself, and I make no apology for doing so, in view of the extraordinary evolutions and revolutions, surely without precedent in such a space of time, that have taken place in the Tory programme during the last two months.

Mr. Chamberlain and Food Taxes.

Now, to understand the situation, tedious as the task is, it is necessary to go back very briefly to the past. It was in May, 1903, that Mr. Chamberlain started the campaign which now goes by the name of Tariff Reform. He started it avowedly for the purpose of giving Colonial Preference, and in his earlier speeches you will find no proposal for a tariff on manufactured goods. That appeared for the first time, I think, in his speech in Glasgow in October of that year. Nor did Mr. Chamberlain—this is the point I want you to remember—conceal from the first that in his opinion the way and the only way in which Colonial Preference could be given was by imposing import duties on foreign corn and meat. In the House of Commons—they are celebrated words, and they remain on record—in the House of Commons on May 28th, 1903, he said: "If you are to give a preference to the Colonies you must put a tax on food." It was pointed out, by myself amongst others, at once, that this would not suffice to attain Mr. Chamberlain's object. Why? Because some of our Colonies, such, for instance, as South Africa, send us no food, but only raw material, while other Colonies, such, for instance, as Canada, send us large quantities of both, and to give a preference on food and not on raw material would be to deal unevenly, and to create inevitable friction both as between different parts of the Empire and as between different interests in the same part. That is an argument which has never yet been met, but it never occurred to any of us, nor, so far as I remember, to Mr. Chamberlain him-

self, that the taxing of foreign manufactures, justified by him on quite other grounds, would appreciably help any of our Colonies. Why? For the very simple but very sufficient reason that their exports of such goods to us were then, as they still are, relatively insignificant. As you will remember, the inducement from the first held out to the taxpayer was that out of the proceeds of the new taxes the duties on tea and sugar were at once to be substantially reduced, and it was hoped in time they would altogether disappear. Well, without Colonial Preference or any change in our fiscal system, during the time I was Chancellor of the Exchequer, as I have already pointed out to you, we made a substantial reduction in both these duties. And the other inducement, as time went on—this ought not to be forgotten—was that the British farmer, too, would benefit by the change. Upon that point I should like to quote what was said by one of the most faithful and intimate of Mr. Chamberlain's associates, Mr. Jesse Collings, at Overbury, on September 5th, 1904. He said that if they thought they were to have Tariff Reform or Retaliation, leaving out the greatest of all industries, the parent industry, agriculture, they were greatly mistaken, and must be "more than usually insane" to think such a thing. Well, gentlemen, as you know, Mr. Chamberlain's propaganda proceeding upon those lines, though not successful in the country, captured the great bulk of the Conservative party.

The Referendum Pledge and its Withdrawal.

On the eve of the second General Election in 1910, this policy being still unpopular in Lancashire and the North of England, and I may say almost the whole of Scotland, Mr. Balfour promised not to adopt Tariff Reform, including, of course, those food taxes, without a referendum. That was in November, 1910. And now we come to recent events. In November of last year, 1912, that promise of the referendum was formally withdrawn at a great meeting of the Tory party in London by Lord Lansdowne and Mr. Bonar Law. An agitation at once arose. It became necessary to explain, and if possible to explain away, what had been said; and accordingly, a month later, Mr. Bonar Law repaired to Ashton, where he told his friends that the Tory party had not abandoned food duties, but for nine years they had kept the flag flying, and this was not the time to haul it down. But, he proceeded, we shall ask our countrymen—that is, at the next Election—to give us authority to enter into negotiations with the Dominions—I forget the exact words,—with power to impose certain low duties within fixed limits on foodstuffs. The burden, you see, was to be put on the Dominions of asking for the duties, but if the Dominions did so ask, the Government, without any referendum or fresh election, were to be empowered to assent. I do not comment on that, for it

was only a provisional stage in the new development of the Unionist policy, which we must now treat as having reached for the moment its final phase in Mr. Bonar Law's letter to his supporters—I can hardly call them followers—and in his Edinburgh speech last week.

What is the Latest Tariff Reform Policy?

What is the Unionist policy at the present moment? I have tried my very hardest to grasp it; I am going to try to define it, and I do not believe they will quarrel with my definition. It consists of two things, two proposals—one immediate, the other prospective. The immediate proposal—that is to say, what they would do to-morrow if they got into office and had a majority in the House of Commons—is to put a low tariff—why it should be low we have never been told, particularly if the foreigner pays it—on foreign manufactured goods, and, mark the words, to give Colonial Preference so far as that is possible without food duties. That is the immediate proposal. Then the prospective proposal is this, to enter into consultation with the Dominions, and if, after that consultation, food duties are found to be desirable to give an effective Colonial Preference, to submit these food duties to the people of Great Britain at a General Election. That, so far as I can make out, is an accurate statement of the latest phase in the evolution of Unionist policy. I am not going to dwell on the tortuosities and gyrations of all this recent manœuvring. I am not even going to enlarge on the question of what precisely it is that Mr. Bonar Law has done with his flag. My knowledge of nautical terminology, although I have recently become a Captain in the Royal Navy, is not yet sufficiently wide and precise to enable me to describe that operation in technical language. I will do to others, however, what those others very rarely do to me, and assume that they are actuated by the best, and not the worst, motives, and that Mr. Bonar Law in particular has made the least sacrifice of principle compatible with the hard practical exigencies of the case. My object—and it is an object which I think it is in the highest interest of the public that I should, as far as I can, pursue—is to find out what exactly that policy means that is now proposed, and what would be the result of its adoption.

Mr. Chamberlain's Position Abandoned.

It is obvious, of course, at the first glance, that its promoters have completely abandoned Mr. Chamberlain's original position—that there can be no Colonial Preference without taxation of food. For they propose, in the first instance, to grant such a preference without any such taxation; and in the second place, they say they will never propose food duties unless the Dominions want them; and, thirdly, even if the Dominions want them, they must still be the subject of a further and special General Election in this country.

The Sad Plight of the British Farmer.

So much is plain, and here, incidentally, let me call attention for one moment to the sad plight of the British farmer. You will have in your mind the quotation I gave a few moments ago from Mr. Jesse Collings. What is going to be the position of the farmer? If a tariff is put on which gives Colonial Preference without taxation upon food, he will have to pay more on foreign manufactured goods which continue to be imported, including, perhaps, some on his own implements. I see Mr. Bonar Law says he does not often require implements—that his need for them is occasional, intermittent, spasmodic. But what about his own products? Let me tell you what Mr. Austen Chamberlain said. I am quoting what he said as lately as January 13th last at Acock's Green, and am not going back to ancient history. Mr. Austen Chamberlain said: "I believe these duties on food are needful if we are to do justice to our own agriculture, and, above all, if we are to make reasonably certain of the success of these small owners the creation of which it is part of our policy to encourage and promote." It is rather odd when Mr. Bonar Law came to deal with the same subject at Edinburgh he said in substance that part of the compensation to agriculture for the putting on of food taxes would be the establishment of small owners. According to Mr. Chamberlain, small owners need the food duties in order, I suppose, to raise the price of their produce; whereas, in the opinion of Mr. Bonar Law, all you have to do at present is to bring the small owners into existence without any food taxes at all.

Some Questions for Mr. Bonar Law.

Now, that is by the way. What I want to do is to ask a few questions. These are not, like Mr. Bonar Law's, questions which have been already answered. I want to ask a few questions to which in time I may receive an answer. There is absolutely no hurry. Therefore, I hope nobody will be hustled to a precipitant and improvident reply. The first question is, What are the manufactured goods on which their low tariff is to be imposed? What are they? Surely we are as much entitled to know that as what the food taxes are going to be. What are the goods? Now the great bulk of the imported articles which are classified as wholly or partly manufactured, which are received from foreign countries and retained here for our own consumption, are in fact the raw material for the application of British capital. This is true of the great bulk of them, and as regards the remainder—it is a comparatively small remainder, because we have been told that raw material is to be excluded—we want again to put the question which has never yet been satisfactorily or adequately replied to. Is your object in putting on these taxes protection or revenue? Or, to put the same thing in more popular language, Is it your object to keep these goods out, or is it your object to let them in? It is a very simple question,

but, of course, the produce of any tax imposed from the point of view of revenue depends much on the answer you are to give. You cannot estimate its effect upon prices or revenue until these simple and elementary points are cleared up—What are manufactured goods, and what the duty you are to impose on them?

I come to another and more interesting point. What, in the absence of food taxes, is the nature of the preference which is to be immediately given to the Colonies? We have ruled out raw material by general consent. We have ruled out corn and meat by this self-denying ordinance which enables the British electorate to have a second vote on the subject before it is finally decided.

Now I am going to trouble you with one or two figures. Take our four great Dominions. For the moment I am leaving out the Crown Colonies and India. Take our four great self-governing Dominions—Canada, Australia, New Zealand, South Africa—and I take the last year for which the returns are complete, 1911. Our total imports from these four Dominions in that year—and by total imports I mean imports retained for consumption here, leaving out re-exports—were valued at 69 millions sterling. Of that 69 millions, foodstuffs, which are excluded from the operation of the new preference, came to 41¼ millions, raw materials to 24 millions. You have got already you see to over 65 millions; drink and tobacco, which are not included under either of these heads, came to a paltry £200,000. In other words, 95 per cent. of the total came under these three heads, and it is ludicrous to think of giving an effective preference to the Colonies by taxing drink and tobacco of which, in all, they sent us but a three-hundredth part of their total importation. It is always well at the beginning of this controversy to track these things out, and not by abstract argument, but by concrete illustration. We have left out of our total importation of 69 millions about 3½ millions of goods which are described as wholly or partly manufactured. What are they? By far the larger proportion of them—3 millions out of the 3½ millions—are metals like copper and lead, or commodities like leather and chemicals, both categories of which become the raw materials for British production. So that you see we have left as the possible basis of a preference, if foodstuffs are ruled out and raw materials are ruled out, as a possible basis of preference for these four growing Dominions £200,000 of drink and tobacco, and about half a million of manufactured goods. The inference surely is—I do not often agree with Mr. Chamberlain, but I agree with him entirely here—the inference is that Mr. Chamberlain never said a truer thing than that effective Colonial preference is impossible without the taxation of food.

Do the Colonies wish to be Consulted?

So much for that. Now there is a third and, if possible, I won't say a more important, but certainly an equally important

point. This refers to the prospective part of the policy which is to begin by consulting the Colonies and, if these consultations result in a particular way, to end by submitting the food duties to the arbitrament of the British people. Do the Colonies, do our great Dominions wish to be consulted? Why is the burden of this responsibility to be thrown upon them, the responsibility, for it is nothing more or less, of initiating our domestic policy? I do not believe, and I speak with some knowledge, I do not believe that there is a single one of the Dominions which would consent for a moment to enter into such a position.

What Western Canadian Farmers say.

I received a few days ago—and it is such a remarkable document that, at the risk of wearying you, I shall read you part of it—a letter from the Manitoba Grain Growers' Association. It is dated Winnipeg, January 13th, in the present year. It is signed by the President, and he tells me that it is an association representing no less than 10,000 farmers in that province. These are the people who, if the food taxes were imposed, these are the people who are supposed to benefit by them. Hear what they say, this great representative association of Western Canadian farmers, what they write to me. They say:—

"Newspaper despatches indicate that a movement is afoot in Great Britain to tax foreign wheat in order to give the preference to wheat from the Overseas Dominions. In fact, it is stated that the intention is to refer this question to the Overseas Dominions for their approval. This is a vital matter to the farmers of Canada, and as President of the Association, I wish to call your attention to a resolution unanimously adopted at our convention held on January 8th, and attended by 500 delegates."

Here is the resolution, the resolution of the Manitoba farmers:

"That this convention oppose any preferential tariff scheme that will give the Western grain-growers a higher price for their grain at the expense of the British workman."

That is the material part of the resolution. Then the letter to me proceeds as follows:—

"The Manitoba farmers believe that the British trade policy is a British question entirely and resent any attempt on the part of Canadian interests to interfere with matters that affect the British people alone. But when it is suggested that this important question be referred to the Overseas Dominions, we consider we should give expression to our views, particularly as the grain-growers of Western Canada are the largest grain exporters in the British Empire and that Great Britain is our chief market at the present time. We wish"—note these words—"the people of Great Britain distinctly to understand that we have no desire to place any additional burden on the British consumer for our benefit, and we believe any preference given to wheat from the Overseas Dominions will simply result in an increased cost to the British consumer. We are quite willing to face world competition in the British market, and are anxious only that British manufacturers should be given free access to the Canadian market."

That is a very remarkable letter. It comes from the people who, of all others, if you were to refer this question to Colonial opinion, have the best possible right to speak. They are the grain-growers who send their grain from these great widely-developed prairie lands into the British market. We are their customers. They, if anybody, would benefit by the change, and you see how they repudiate in a most formal and explicit manner any desire—nay, refuse—to take any part in any such transaction. It is perfectly certain that in what Manitoba grain-growers say, vast numbers of our Colonial fellow-subjects in any part of the Empire will find themselves in hearty agreement.

The Exports Test.

Having put my questions, I am afraid, at greater length than either you or I expected, let us for a moment, before I conclude, look back over the ten years since this issue was raised, and see how it stands to-day. I took, as you know, and I think with your approval, an active part in it from the very beginning, and I said from the first that as regards its main suppositions it rested on bad history, bad logic, and bad arithmetic, and that the future would show that it was equally exposed to the charge of bad prophecy. The first assumption on which the thing rested was that owing to our vicious fiscal policy our trade was not increasing, and that, in particular, our exports, which were represented as the main test, were stagnant. We Liberals and Free-traders, on the contrary, said that our trade was elastic, and, subject to the inevitable ups and downs, that it was increasing, and would continue to increase. We said that this was the case if exports alone were considered, but we always denied—no one more strenuously than I—that exports were a fair test, and asserted that the home trade was more important than our trade overseas. Ten years have passed, and what are the facts? Which of us was right? In 1902—the year before this campaign was started, described by Mr. Chamberlain himself as one of the best years British trade had ever known—in 1902 the exports of the United Kingdom amounted to 283 millions; in 1912, ten years later, they amounted to 487 millions. In other words, there has been an increase of 72 per cent. in this stagnant trade. Look at particular trades. Mr. Chamberlain was not afraid to descend to instances. He took the cotton trade, which he told us would go. How has the cotton trade fared? In 1902 the net exports—by net I mean deducting the imports from the exports, and taking the balance—were 67 millions; in 1912 they were 111 millions. As to wool, which he

told us was threatened, in 1902 the net exports were 10 millions; in 1912 the net export was 28 millions, an increase of a great deal more than 100 per cent. As to iron—which again he told us was going—in 1902 the net exports were 21 millions; in 1912 they were 36 millions.

The Home-Trade Test.

So much for the export test. What about the home trade? At that time we had no accurate and trustworthy figures to enable us to measure the relative volumes of our home and our oversea trade, but since then, after a useful measure which was passed by the present Administration, we have had what is called a Census of Production at home. It was taken for the year 1907, and what does it show? It shows that in that year we in this United Kingdom manufactured finished commodities of the total value of 716 millions. Of this we consumed at home 540 millions and exported only 176 millions, showing you what an immensely more important thing to the British producer is the home trade than the foreign trade.

The Imperial Test.

The other assumption was that some form of preference was needed to keep the Empire together and in order that we might increasingly draw our supplies of food from within the Empire. What did we Free-traders reply to that? We replied, first, that the true bond of Imperial unity in the long run was that each part of the Empire should be perfectly free to manage its fiscal system according to its own interests, and, next, that, as time went on, the latent resources of supply in the Empire, without any artificial encouragement, would develop themselves. What have been the facts? As a matter of fact, let me say first—people do not know or at least appreciate this—that if we exclude tea and sugar and other things which cannot be grown here, tropical or sub-tropical products, of our total food supply over 50 per cent., more than half, is grown at home. But take our food imports and see how we have fared without any kind of artificial protection for Colonial produce. For the purpose I think it is fair not to take a particular year but an average of years, because it very often happens that there is exceptional drought or famine sometimes in India, which in a particular year disturbs the calculations. In this matter, therefore, I have taken not one particular year but the average of three years, and I compare the three years, from 1899 to 1901, with the three years 1909 to 1911. In the first three, we imported breadstuffs from foreign countries to the extent of 82 millions of hundredweights, and from within the British Empire—I am not speaking merely of the Dominions, but of the whole Empire—17½ millions, showing an enormous preponder-

ance of imports from foreign countries. What is the case now? Take the average of the last three years. Our imports from foreign countries have sunk to 64,000,000 cwt., and our imports from within the Empire have risen to 50 millions. We believe that we ought to keep open every possible source of supply, wherever it may be situated. Our anticipations have been more than fulfilled without any form of artificial preference. The physical resources of the soil, coupled with the ingenuity and enterprise of our fellow-subjects throughout the length and breadth of the Empire, will very soon make them the chief producers of our extraneous food supplies.

A Summing-up.

Am I not right when I say, to sum up the whole matter, every assumption upon which this policy was based has been disproved; every prophecy with which it was heralded has been falsified? The Empire, we were told, was falling to pieces, but the Empire is more closely united than it ever was before. The Dominions are asking for no return for such Preference as they have given us, and show the utmost and the most natural reluctance to be drawn in as arbiters in our own domestic policy. In view of these indisputable facts, I ask my fellow-countrymen to face this problem as a whole. This new Protection—for such it is in its latest guise—is put forward in an attenuated and emasculated form, but these halfway houses, these roadside halting-places, are temporary expedients adopted for tactical purposes. There are many defects and shortcomings in our industrial and social arrangements, but this is not the way to make them good. You have nothing to gain, you have everything to lose, by the abandonment of the fiscal system which has vindicated itself by the experience of the lifetime of more than two generations.

Printed by the National Press Agency Ltd., Whitefriars House, Carmelite St., London, E.C.

SUBSCRIPTIONS

RECEIVED BY THE

LIBERAL PUBLICATION DEPARTMENT,

42, PARLIAMENT STREET, S.W.

21/- Subscribers of **One Guinea** a year (January-December) get the following Publications:—

(*a*) The monthly issues of the *Liberal Magazine*, as published on the 7th of each month.

(*b*) At the end of the year the bound volume of the *Liberal Magazine*, on superior paper, and specially bound for Subscribers in half-cloth.

(*c*) Copies of all Pamphlets, Leaflets, &c., and of the Liberal Calendar and the Liberal Almanac *as issued*.

(*d*) At the end of the year the *Pamphlets and Leaflets* of the year, indexed, on superior paper, and specially bound for Subscribers in half-cloth.

(*e*) The monthly issues of the *Liberal Monthly*.

(*f*) The *Liberal Year Book*, on superior paper, specially bound.

5/- Subscribers of **Five Shillings** get the *Liberal Magazine* on the 7th of every month, *post free*. Subscriptions can begin at any time.

2/6 Subscribers of **Half-a-Crown** get copies of all *Pamphlets and Leaflets* (including the *Liberal Calendar* and *Almanac*) as issued. Subscriptions are for the year, January to December.

1/- Subscribers of **One Shilling** get each month the *Liberal Monthly*, *post free*. Subscriptions can begin at any time.

WSH # 7295

END OF
TITLE